

# NED W. DOWNING

EARLY AMERICAN  
CAPITAL MARKETS

ANTIQUARIAN  
February 7, 2002

Mr. Eric Newman  
6450 Cecil Avenue  
St. Louis, Missouri 63105

Dear Eric,

I was doing some research in the John Carter Brown Library this week when I came across an extraordinary document which I am certain you will appreciate. I copied it and enclosed the copy for you.

Nicholas Brown was one of the most active participants in the early American capital markets and a successful merchant before, during and after the Revolutionary War. His grasp of the currency, paper money, and financial instrument risks inherent in doing business in his time was unmatched. Few others, perhaps none, especially from Rhode Island, fared as well as Brown during those tumultuous times. I have developed a keen sense of admiration for him as a businessman after spending last week combing through the extensive collection of papers he left behind.

Like good businessmen today Brown left no stone unturned in his quest to gain an edge over his competitors. He sought out and found information from the most knowledgeable about all the different paper money and security emissions of the places where he was doing business. As the rules changed during the war he was relentless in obtaining current information about interest payments due, differences between written law and customary Loan Office procedures, etc.

While learning this I came across what may be the first historical compilation of the Paper Money emissions of the State of R. I. As a collector the document struck a nerve with me. I know you have experienced that wonderful feeling of discovery. Maybe you, yourself, wondered about who was the first one interested in the history of paper money which you have spent a lifetime researching. This may be it! The Brown family certainly had a love of history. Witness their founding of Brown University, The John Carter Brown Library, Moses Brown School, etc to study it. However, I suspect mostly that Nicholas Brown was trying to learn as much as possible about the precedents from R. I. history before deciding how he would handle the various new emissions of the Revolutionary War in the settlement of his various accounts and business

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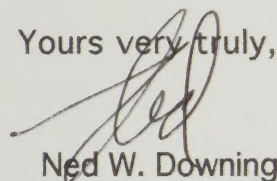
Lottery Tickets

February 8, 2002

interests. My instinct is that he compiled the list sometime after the beginning of the Revolution. The document itself is much easier to read than the copy.

I hope this finds you well and still active. I continue to be frustrated in my various attempts to find a niche for myself where I can productively use my extensive knowledge about our country's financial heritage and earn a living at the same time. Academia is very adverse to including outsiders within their programs although it is obvious that very few know even a little about it. Yet the foundation of our country was driven (or stalled) by its finances. The resolution of financial problems created by the Revolution is perhaps the single most important factor to define the economic success of our nation for evermore. I am working hard on a book called The Origin of the American Capital Markets, but have yet to find either a publisher or and agent. Suggestions always welcome.

Yours very truly,



Ned W. Downing

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ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

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February 25, 2002

Dear Ned:

I was pleased to hear from you and delighted with the paper money excerpt from Nicholas Brown's papers.

I continue to research and write just as you do. Perhaps you can finish your book and try to publish it yourself. It can be done reasonably depending on length, illustrations and quality. My last book in 1999 cost \$9,000 but was 400 pages, 8½ X 11 " size, spiral bound and with card covers. Only 400 copies were issued. The text I did on computer.

As to the photocopies you sent me this seems from an extensive memorandum book. He must have copied the paper money portion from other records, possibly from someone in the loan office. The pagination seems taken from some other major records. The text conforms to what is in my book but I can clarify some of my text from your material if I write a fifth edition.

Good luck on your projects and enjoy every moment of research. Thank you for thinking of me and sending me such unusual material.

Thrive,

Eric P. Newman